

Message Text

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PAGE 01 STATE 151382
ORIGIN ARA-14

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E.O. 11652: N.A.

TAGS: OAS, EGEN

SUBJECT: OASGA ECONOMIC CONTENT

1. THE VII OAS GENERAL ASSEMBLY IN GRENADA JUNE 14-22 WAS DOMINATED ALMOST COMPLETELY BY THE TOPIC OF HUMAN RIGHTS. CONSEQUENTLY ECONOMIC TOPICS, WHICH HAVE OFTEN BEEN DOMINANT IN THE PAST, RECEIVED VERY LITTLE ATTENTION. FOR EXAMPLE, SECRETARY VANCE AND THE OTHER FOREIGN MINISTERS DEVOTED NONE OF THEIR MULTILATERAL DISCUSSIONS AND LITTLE OF THEIR BILATERAL TALKS TO ECONOMIC MATTERS. EVEN SO, IT MAY BE USEFUL FOR EMBASSIES TO BE AWARE OF THE ECONOMIC CONTENT OF THE OASGA, SUCH AS IT WAS, AS A POINT OF REFERENCE IN CONTACTS WITH HOST GOVERNMENTS.

2. THE MOST SIGNIFICANT RESULT, FROM AN ECONOMIC POINT OF VIEW, WAS A LONG RESOLUTION ON THE U.S. TRADE ACT THAT
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PAGE 02 STATE 151382

WAS APPROVED BY CONSENSUS, WITH A STATEMENT BY US EXPLAINING OUR SUPPORT. THE RESOLUTION NOTES THE GSP REVIEW UNDERWAY WITHIN THE USG, ISSUES INSTRUCTIONS TO SUBORDINATE OAS BODIES, URGES THE U.S. TO AVOID RESTRICTING IMPORTS FROM LATIN AMERICA AND TO CONSULT ON ANY PROPOSALS TO THAT END, AND PROVIDES THAT MEMBER COUNTRIES MAY JOINTLY ANALYZE THEIR PROPOSALS IN THE MTN. THE RESOLUTION DOES NOT

GO BEYOND PREVIOUS U.S. POSITIONS, AND OUR EXPLANATORY

STATEMENT IS INTENDED TO MAKE THAT CLEAR. ITS SIGNIFICANCE IS THAT WE WERE ABLE TO REACH A CONSENSUS; FREQUENTLY IN THE PAST THE LATINS HAVE INSISTED ON RESOLUTIONS ATTACKING THE U.S. ON WHICH WE HAVE HAD TO ABSTAIN. MEXICO AND ARGENTINA WERE THE INSTIGATORS OF THE TRADE ACT RESOLUTION AT GRENADA, AND BRAZIL AND PERU WERE ACTIVE AND HELPFUL IN ITS DEVELOPMENT.

3. DESPITE THE NON-CONFRONTATIONAL SPIRIT OF THE RESOLUTION REFERRED TO ABOVE, COLOMBIA INSISTED ON PUSHING THROUGH A SEPARATE STATEMENT AIMED EXCLUSIVELY AT THE U.S. IN FAIRLY CATEGORIC SUPPORT OF THE PRINCIPLE (MISUNDERSTOOD BY THE COLOMBIANS, INCIDENTALLY) OF COMPARATIVE ADVANTAGE. WE ARGUED THAT A FURTHER STATEMENT ON U.S. TRADE POLICY WAS HARDLY NECESSARY IN ADDITION TO THE LONG TRADE ACT RESOLUTION AND THE BY NOW OBLIGATORY RESOLUTION, ADOPTED OVER OUR ABSTENTION, ON THE ECUADOR-VENEZUELA OPEC EXCLUSION FROM GSP. COLOMBIA PERSISTED AND WE ABSTAINED. COLOMBIA, IN THE PERSON OF FOREIGN MINISTER LIEVANO, ALSO INCLUDED A HARSHLY WORDED PARAGRAPH ON ECONOMICS IN ITS HUMAN RIGHTS RESOLUTION, WHICH WAS ADOPTED WITH ONLY FOUR ABSTENTIONS. IT CALLED ON DEVELOPED COUNTRIES TO ABOLISH THEIR (PRESUMED) DISCRIMINATORY AND PROTECTIONIST PRACTICES, TO FULFILL THEIR LIMITED OFFICIAL USE

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PAGE 03 STATE 151382

(PRESUMABLY UNMET) GSP COMMITMENTS, AND TO REDUCE THEIR ARMS SPENDING "THAT ENDANGERS WORLD PEACE AND THE SURVIVAL OF CIVILIZATION."

4. TWO FURTHER ECONOMIC RESOLUTIONS MAY BE OF GENERAL INTEREST. ONE CONCERNED PANAMA CANAL TOLLS, AND WAS PRESSED BY ECUADOR, WITH ITS BANANA EXPORTS IN MIND, SUPPORTED BY OTHER WEST COAST SOUTH AMERICAN COUNTRIES. IT ALLEGES THAT RECENT TOLL INCREASES ARE A RESULT OF CHANGES IN THE CANAL COMPANY'S ACCOUNTING SYSTEM AND ASKS THAT WE REVISE THE ACCOUNTING AND ADJUST THE RATES. WE DENIED THAT ACCOUNTING IS THE CAUSE, AND ABSTAINED ALONG WITH TRINIDAD. PANAMA SAID THAT IT HAD NEVER BEEN CONSULTED ON CANAL TOLLS, RESERVED ITS OPINION ON CONSIDERATION OF THE SUBJECT IN THE OAS, AND STATED IT HAD NOT PARTICIPATED IN ANY OAS DISCUSSIONS OF THE SUBJECT.

5. FINALLY URUGUAY, WITH THE CO-SPONSORSHIP OF CHILE, COLOMBIA, EL SALVADOR, GUATEMALA, HONDURAS, AND PARAGUAY, AUTHORED A CAREFULLY-WORDED RESOLUTION WHOSE CLEAR PURPOSE IS TO REJECT HARKIN-TYPE AMENDMENTS. IT DOES NOT OF COURSE MENTION HARKIN BUT RECOMMENDS THAT "ACTIONS

TAKEN BY INTERNATIONAL AND REGIONAL FINANCING AGENCIES BE
KEPT INDEPENDENT OF CONSIDERATIONS OF ANY NATURE AS MAY
BE IN CONFLICT WITH THE INTERNATIONALLY ACCEPTED OBJECT-

IVE CRITERIA AND WITH THEIR RESPECTIVE STATUTES OR CONSTI-
TUTIONAL LEGAL INSTRUMENTS." IF THERE WAS ANY DOUBT OF
THE INTENT, THE SPONSORS MADE CLEAR IN THE DEBATE THAT IT
WAS AIMED AT EXCLUDING HUMAN RIGHTS CONSIDERATIONS FROM
IFI DECISIONS. VENEZUELA STRONGLY OPPOSED THE RESOLUTION
BUT ONLY SURINAM AND THE U.S. JOINED IT IN ABSTAINING. VANCE

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